

III. Calculating Child Support Amounts

This section describes the methods of calculating support. One is by using various percentages of total family income and calculating support based on a ratio of incomes. In cases where parties have no or low income, a poverty level or low income calculation method is used. Another method is to use the child support schedules.

A. Calculating Child Support Using Table III

Various percentages of net income are used to determine child support in this formula. The percentages are based on the number of children and the level of total net family income. The percentages are displayed in Table III shown below. The total net family income levels against which the percentages are applied are adjusted on an annual basis, using the Consumer Price Index for Metropolitan Detroit, with December, 1985 as the base.

**Table III
Total Child Support at Various Income Levels**

Table III		ONE CHILD				
Monthly Family Net Income	Percentage Allocated ¹	Base Support	+	Marginal Percentage	over	Income Level
\$999	25.5%	\$254.75	+	24.17%	over	\$999
\$1,604	25.0%	\$401.00	+	17.50%	over	\$1,604
\$2,187	23.0%	\$503.01	+	16.66%	over	\$2,187
\$2,807	21.6%	\$606.31	+	14.64%	over	\$2,807
\$3,645	20.0%	\$729.00	+	13.91%	over	\$3,645
\$5,176	18.2%	\$942.03	+	12.37%	over	\$5,176
\$6,379	17.1%	\$1,090.81	+	11.23%	over	\$6,379
\$8,019	15.9%	\$1,275.02	+	10.00%	over	\$8,019

¹ NOTE: Due to the Low/No Income adjustment, these figures may not be applied if a parent earns a minimal income. See Item C in this section.

Table III (Continued)
Total Child Support at Various Income Levels

Table III TWO CHILDREN						
Monthly Family Net Income	Percentage Allocated ¹	Base Support	+	Marginal Percentage	over	Income Level
\$999	39.4%	\$393.61	+	36.22%	over	\$999
\$1,604	38.2%	\$612.73	+	26.20%	over	\$1,604
\$2,187	35.0%	\$765.45	+	23.68%	over	\$2,187
\$2,807	32.5%	\$912.28	+	22.50%	over	\$2,807
\$3,645	30.2%	\$1,100.79	+	21.75%	over	\$3,645
\$5,176	27.7%	\$1,433.75	+	20.28%	over	\$5,176
\$6,379	26.3%	\$1,677.68	+	17.01%	over	\$6,379
\$8,019	24.4%	\$1,956.64	+	15.00%	over	\$8,019

Table III THREE CHILDREN						
Monthly Family Net Income	Percentage Allocated ¹	Base Support	+	Marginal Percentage	over	Income Level
\$999	49.4%	\$493.51	+	47.28%	over	\$999
\$1,604	48.6%	\$779.54	+	35.10%	over	\$1,604
\$2,187	45.0%	\$984.15	+	30.51%	over	\$2,187
\$2,807	41.8%	\$1,173.33	+	28.75%	over	\$2,807
\$3,645	38.8%	\$1,414.26	+	27.98%	over	\$3,645
\$5,176	35.6%	\$1,842.66	+	23.40%	over	\$5,176
\$6,379	33.3%	\$2,124.21	+	19.61%	over	\$6,379
\$8,019	30.5%	\$2,445.80	+	19.00%	over	\$8,019

¹ NOTE: Due to the Low/No Income adjustment, these figures may not be applied if a parent earns a minimal income. See Item C in this section.

**Table III (Continued)
Total Child Support at Various Income Levels**

Table III		FOUR CHILDREN				
Monthly Family Net Income	Percentage Allocated ¹	Base Support	+	Marginal Percentage	over	Income Level
\$999	55.6%	\$555.44	+	52.68%	over	\$999
\$1,604	54.5%	\$874.18	+	39.87%	over	\$1,604
\$2,187	50.6%	\$1,106.62	+	34.30%	over	\$2,187
\$2,807	47.0%	\$1,319.29	+	33.08%	over	\$2,807
\$3,645	43.8%	\$1,596.51	+	31.97%	over	\$3,645
\$5,176	40.3%	\$2,085.93	+	24.92%	over	\$5,176
\$6,379	37.4%	\$2,385.75	+	23.22%	over	\$6,379
\$8,019	34.5%	\$2,766.56	+	22.00%	over	\$8,019

Table III		FIVE OR MORE CHILDREN				
Monthly Family Net Income	Percentage Allocated ¹	Base Support	+	Marginal Percentage	over	Income Level
\$999	60.8%	\$607.39	+	57.35%	over	\$999
\$1,604	59.5%	\$954.38	+	42.62%	over	\$1,604
\$2,187	55.0%	\$1,202.85	+	37.80%	over	\$2,187
\$2,807	51.2%	\$1,437.18	+	37.28%	over	\$2,807
\$3,645	48.0%	\$1,749.60	+	35.83%	over	\$3,645
\$5,176	44.4%	\$2,298.14	+	24.78%	over	\$5,176
\$6,379	40.7%	\$2,596.25	+	24.08%	over	\$6,379
\$8,019	37.3%	\$2,991.09	+	23.00%	over	\$8,019

¹ NOTE: Due to the Low/No Income adjustment, these figures may not be applied if a parent earns a minimal income. See Item C in this section.

The first step in determining each parent's child support obligation is to calculate total net family income per month. If either parent's income is near or below the poverty level, see Section III C on page 21. Second, apply the appropriate child support percentage from Table III from pages 17 to 19 the net income determination to calculate the actual child support amount. The third step is to apportion the support amount between both parents based on the ratio of their incomes. The final step in determining child support is to add a health care supplement to the calculated support amount (see page 29).

The Table III calculation formula is:

$$\{A + [B \times (C-D)]\} \times (E \div C) + F = G$$

[note: if $E > P$ and $C < I$ then support is calculated $(C \times J) (E \div C) + F = G$]

For the purposes of this formula:

A	=	Base Support for Family Income (Table III, column 3)
B	=	Marginal Percentage (Table III, column 4)
C	=	Actual Total Net Family Income (add net incomes of parties, rounded to nearest whole dollar)
D	=	Table Family Income Amount (Table III., column 5)
E	=	Noncustodial Parent Allowable Net Income (round to nearest whole dollar)
F	=	Health Care Supplement (Section IV D 2)
G	=	Noncustodial General Care Support-using Table III calculation (round to nearest whole dollar)
P	=	Poverty Level Income (Section III C)
I	=	Table Family Income Amount lowest level
J	=	Base Percentage (Table III, column 2)

Example: Using Table III, calculate the total monthly ly support amount for the five children in this family.

Step 1: Calculate Family net monthly income.

Noncustodial parent earns \$1,750 net per month.

Custodial parent earns \$950 net per month.

Add the parents' net monthly incomes to determine the total net family income per month:

$$\$1,750 + \$950 = \$2,700$$

Step 2: Calculate the total monthly support amount

$$\{\$1202.85 + [37.80\% \times (\$2700 - \$2187)]\} \times (\$1750 \div 2700) + \$45.68 = G \text{ Child Support}$$

$$\{\$1202.85 + [.3780 \times (\$513)]\} \times (.6481) + \$45.68 = G \text{ Child Support}$$

$$\{\$1202.85 + [\$193.91]\} \times (.6481) + \$45.68 = G \text{ Child Support}$$

$$\{\$1396.76\} \times (.6481) + \$45.68 = G \text{ Child Support}$$

$$\$905.24 + \$45.68 = \$951 \text{ Child Support per month}$$

B. Calculating Child Support Using Support Schedules

The schedules provided at www.courts.michigan.gov/scao/services/focb/focb.htm make the child support calculations automatically. The schedules include the amount required for the health care supplement. To use the schedules, apply the following steps, illustrated by the hypothetical example used in Section III A, above:

Step 1: Determine each parent's net monthly income.

Step 2: Determine the noncustodial parent's monthly support obligation by using the support schedule for five children. Find the noncustodial parent's net monthly income of \$1,750 on the vertical column and the custodial parent's net monthly income of \$950 on the horizontal row. Follow the horizontal line to the right from the noncustodial income amount to the axis where it intersects with the vertical line from the custodial income amount. The \$951 amount shown at the intersection of the lines is the noncustodial parent's monthly support obligation. The health care supplement is included.

Note: Support amounts in the schedules may vary slightly from the actual longhand calculations due to rounding.

To comply with MCR 3.211(E)(1), and to avoid recalculating support each time a child is added to or deleted from an order, all support orders must include the amount for each child in multi-children families. For example, for this family of five children the order would state:

\$951 per month for 5 children,
\$870 per month for 4 children,
\$772 per month for 3 children,
\$601 per month for 2 children,
\$394 per month for 1 child.

C. Calculation of Child Support in Low/No Income Cases

For the purpose of this formula, low income is defined as \$738 or less per month, in a single person household (2002 United States HHS Poverty Guideline). The formula described in Section III A, does not apply when parents earn low incomes. When either the noncustodial or custodial parent earns no or low income, the support amount will be determined according to the following procedure.

1. In cases where noncustodial parents earn \$738 or less per month, they will pay 10% of their incomes for child support plus the health care supplement found in Section IV D 2 on page 29, irrespective of the number of children. The percentage adjustment (10%) should be decreased by 1% for every additional \$450 that the custodial parent earns. (see Table IV, page 22)

Table IV Poverty Level Income Percentage Adjustment Table			
Custodial Net Income	% Adjust	Custodial Net Income	% Adjust
\$0 - \$738	10%	\$2,250 - \$2,699	5%
\$739 - \$899	9%	\$2,700 - \$3,149	4%
\$900 - \$1,349	8%	\$3,150 - \$3,599	3%
\$1,350 - \$1,799	7%	\$3,600 - \$4,049	2%
\$1,800 - \$2,249	6%	\$4,050 or more	1%

The non-custodial parent poverty level income calculation formula is:

$$(E \times K \text{ (or \$25 whichever is more, see Section III C 3, below)}) + F = L$$

For the purposes of this formula:

- E = Non-custodial Parent Net Income of \$738 or less (round to nearest whole dollar)
- K = Percentage Adjustment (percentage income factor from Table IV, (Section III C 1))
- F = Health Care Supplement (Section IV D)
- L = Support Amount (Round to nearest whole dollar amount)

Example: Using the non-custodial parent poverty level income calculation, figure the total support amount for three children in this family.

Step 1: Calculate Family net monthly income.

Noncustodial parent earns \$600 net per month
Custodial parent earns \$1,400 net per month.

Step 2: Calculate the total monthly support amount

$$(\$600 \times 7\% \text{ (or \$25 whichever is more, see number 3, below)}) + \$32.63 = L$$

$$(\$42.00) + \$32.63 = \$75$$

2. In low income cases where non-custodial parents earn more than \$738 per month, **the support amount is the apportioned support amount (calculated using the formula in Section III A), or is the difference between the noncustodial parents' net monthly income and the poverty level (\$738) plus the support amount that they would pay at \$738 (using the non-custodial parent poverty level income calculation, above), whichever is less.** This allows the non-custodial parent to retain approximately 90-100% of the poverty level amount.

The non-custodial parent low income calculation formula is:

$$[(\$738 \times K \text{ (or \$25 whichever is more see number 3, below)}) + F] + (E - \$738) = M$$

if $M < G$ then $M = L$
 if $M \geq G$ then $G = L$

For the purposes of this formula:

P	=	Poverty Level Income (Section III(C))
K	=	Percentage Adjustment (percentage income factor from Table IV (Section III C 1))
F	=	Health Care Supplement (Section IV D)
E	=	Non-custodial Parent Net Income (round to nearest whole dollar)
M	=	Non-custodial Support-using Low Income Adjustment calculation
G	=	Non-Custodial Support-using Table III calculation
L	=	Support Amount (Round to nearest whole dollar amount)

Example: Using the non-custodial parent low income calculation, figure the total monthly support amount for four children in this family.

Step 1: Calculate net income.

Noncustodial parent earns \$900 net per month.
 Custodial parent earns \$1,200 net per month.

Step 2: Calculate the total monthly support amount

$$[(\$738 \times 8\% \text{ (or \$25)}) + \$39.15] + (900 - 738) = M$$

$$[(\$59.04 \text{ (or \$25)}) + \$39.15] + (162) = M$$

$$[\$98.19] + (\$162) = \$260$$

Step 3: The support amount is the lesser of the results from the low income calculation formula and from the Table III calculation formula:

$$M = \$260$$

$$G = \$498 = \{ \$874.18 + [39.87\% \times (\$2100 - \$1604)] \} \times (\$900 \div \$2100) + \$39.15$$

Therefore, the support amount in this example is \$260.

3. Support should not be recommended in amounts of less than \$25 per month (plus the health care supplement), unless support is reserved by the court order.
4. When custodial parents earn \$738 or less per month, their incomes will not be used in calculating support. In this way parents retain enough to meet their basic necessities, while contributing as much as possible to the support of their children.

Note: This adjustment is built into the schedules in Appendix C, and need not be separately calculated when using those tables.

D. Calculation of Child Support in High Income Cases

In high income cases, where total family income exceeds the income categories listed on the schedules in Appendix C, the support amount should be calculated according to Table III.

For example, using Table III for one child, at a combined net income of \$8,019 per month, the support recommendation would be \$1956.64 plus 10% of the amount over \$8,019. Total support would then be apportioned between both parents, and have the \$13.05 health care supplement added.

Example: Using Table III, calculate the total support amount for the two children in this family.

Step 1: Calculate Family net monthly income.

Noncustodial parent earns \$6,000 net per month.

Custodial parent earns \$3,000 net per month.

Add the parent's net monthly incomes to determine the total net family income:

$\$6,000 + \$3,000 = \$9,000$

Step 2: Calculate the total monthly support amount

$$\{\$1956.64 + [15.00\% \times (\$9,000 - \$8,019)]\} \times (\$6,000 \div \$9,000) + \$26.10 = G \text{ Child Support}$$

$$\{\$1956.64 + [1500 \times (\$980)] \times (.6667) + \$26.10 = G \text{ Child Support}$$

$$\{\$1956.64 + \$147.00\} \times (.6667) + \$26.10 = G \text{ Child Support}$$

$$\{\$2,103.64\} \times (.6667) + \$26.10 = G \text{ Child Support}$$

$$\$1,402.50 + \$26.10 = \$1,429 \text{ Child Support per month}$$

Table V:
Health Care Support Supplement

Number of Children	Monthly Health Care Amount
1	\$13.05
2	\$26.10
3	\$32.63
4	\$39.15
5	\$45.68

Ordinary expenditures on health care include such remedial items as nonprescription medications, vitamins, and bandages purchased by the household on a routine basis in anticipation of minor illnesses and injuries. It is presumed that the custodial parent will contribute similar amounts and no proof of these ordinary health care expenditures need be provided by the custodial parent.

3. All uninsured health care expenses, other than ordinary expenditures on health care, should be apportioned between parents based on the ratio of their incomes, provided that the proportion paid by either party shall not be less than 10% nor more than 90%.

E. Child Care Expenses

When the custodian and/or non-custodial parent incurs work-related child care expenses, an additional child care adjustment is required. Work-related child care expenses include those net expenses which allow the parent to look for employment, retain paid employment, or to enroll in and attend an educational program which will improve employment opportunities.

1. When custodians have an established pattern of child care and can verify that they have actual, predictable and reasonable child care expenses on behalf of the children in the case under consideration, the total net expenses to each should be apportioned between the parents according to the ratio of their incomes.
2. In calculating child care expenses to be apportioned between the parents, the net cost to the parent or custodian must be used. The net cost of child care is figured by deducting any child care subsidies, credits (including federal tax credit), or reimbursements from any public or private source from the gross cost of child care.

The non-custodial parent's portion of the custodian's child care costs minus the custodian's portion of the non-custodial parent's child care shall be added to the amount of support in the appropriate Child Support Formula table.

Appendix B: Reasonable Cost of Maintaining Health Insurance Coverage

Michigan Statutes [MCL 552.15; MCL 552.517(7)(a)] require the friend of the court, when a support order lacks provisions for health care coverage, to petition, and the court to order in any event, one or both parties to obtain and maintain health care coverage for the benefit of each child who is subject to the support order if:

- (a) Either parent has health care coverage available, as a benefit of employment, for the benefit of the child at a reasonable cost, or
- (b) Either parent is self-employed, maintains health care coverage, and can obtain health care coverage for the benefit of the child at a reasonable cost.

Federal Regulations [45 CFR 306.51] specify that cost of maintaining health insurance is considered reasonable if it is employment-related or other group health insurance.

The following table and text addressing the reasonable cost of maintaining health insurance coverage is provided to assist friends of the court, referees and judges in making determinations of the reasonable cost of maintaining health insurance coverage.

1. The following table should be used for 2003:

Reasonable Cost of Health Insurance Coverage	
Net Monthly Earnings of Parent	Maximum (Monthly) Reasonable Cost of Maintaining Health Insurance Coverage
\$738.00 or less	\$0.00
\$738.01 to \$1,521.87	\$0 + 6% over \$738.01
\$1,521.88 to \$2,391.51	\$47 + 10% over \$1,521.88
\$2,391.52 to \$3,261.15	\$134 + 14% over \$2,391.52
\$3,261.16 to \$4,130.79	\$256 + 18% over \$3,261.16
\$4,130.80 to \$5,000.43	\$413 + 22% over \$4,130.80
\$5,000.44 and above	\$604

2. For the sole purpose of determining the reasonable cost of maintaining health care coverage, the cost of providing child support, child care, and health care insurance, not including arrearages, should not exceed 50% of a parent's net income as defined in the Michigan Child Support Formula Manual.

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3. The cost of providing health care insurance coverage pertains only to the cost of providing it for the children, which may or may not include the costs associated with insuring the parent providing the coverage.
4. The Reasonable Cost of Health Insurance Coverage Table will be annually updated with the Michigan Child Support Formula Manual.
 - a. The table will be annually adjusted for changes in the United States HHS Poverty Guideline. The figure used will be the amount released in the preceding year.
 - b. The earnings levels in the table will be adjusted annually for inflation using the consumer price index (CPI-U Detroit, August). The amounts in the original Reasonable Cost of Health Insurance Coverage Table serve as a baseline figure established, based upon the CPI-U for Detroit as of August 1996.

